

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

ST. CLAIR INTELLECTUAL PROPERTY)	
CONSULTANTS, INC.,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No. 05-273 JJF
)	
MIRAGE SYSTEMS, INC., <i>et al.</i>)	
)	
Defendants.)	

EASTMAN KODAK COMPANY’S STATUS REPORT

On March 8, 2006, the Court stayed this Action pending resolution of the patent ownership dispute between Eastman Kodak Company (“Kodak”) and St. Clair Intellectual Property Consultants, Inc. (“St. Clair”) in *Eastman Kodak Company v. Speas et al.*, Civil Action No. 05-039164 (Cal. Sup. Ct. April 12, 2005) (the “California Action”). Pursuant to the Court’s July 17, 2006 Order requiring a Status Report every ninety (90) days, Kodak submits this status report.

The California Action proceeded to trial on January 4, 2008 before Judge Kleinberg. On January 15, 2008 – the day before jury selection was to begin – the parties attended a mediation session before Magistrate Judge Edward Infante. After a full day of negotiations, the parties agreed in principle to settle the California Action. They signed a one-and-a-half page Memorandum of Understanding, the terms of which are confidential, with the intent to later negotiate full settlement agreements. The full agreements would set forth the full scope of the settlement.

For the past three months, the parties have attempted to negotiate the terms of the full settlement. St. Clair, however, has repeatedly demonstrated its unwillingness to negotiate the terms of a final settlement in good faith. The parties have exchanged draft agreements yet St. Clair has repeatedly rejected every proposal offered by Kodak. To date, St. Clair has refused to agree to terms that Kodak believes are fundamental to the resolution of the dispute. The ownership case has not been dismissed.

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DATE: April 14, 2008

CERTIFICATE OF SERVICE

The undersigned counsel hereby certifies that on April 14, 2008, a copy of the foregoing STATUS REPORT was electronically filed with the Clerk of the Court using CM/ECF which will send notification of such filing to counsel of record.

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